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TOTAL PRODUCTION SYSTEMS...

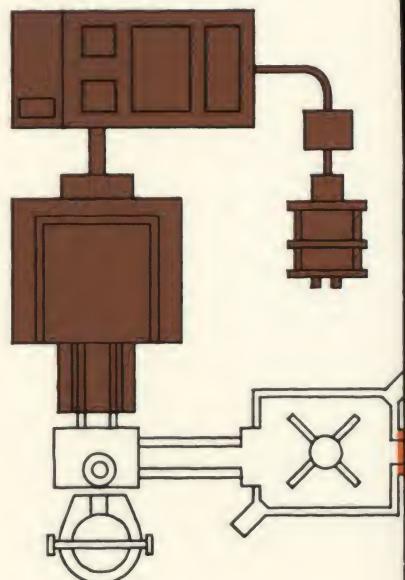
to meet the expanding
demand of world
population for a higher
standard of living

TOTAL PRODUCTION SYSTEMS

People around the world, in industrialized countries and emerging nations alike, are striving to attain an ever-higher standard of living. Our report for 1974 focuses on Acme-Cleveland's role in helping to fulfill this hope.

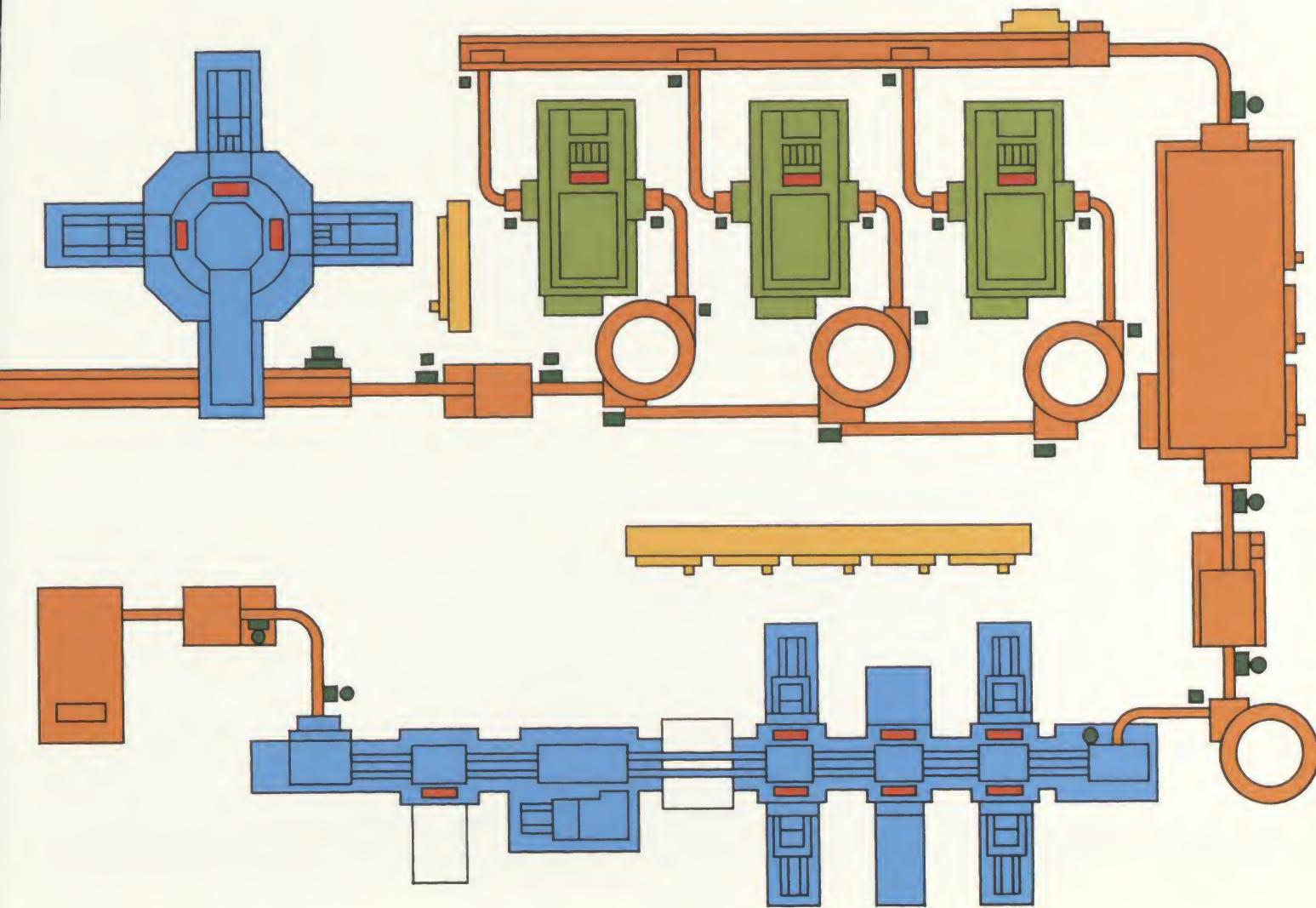
Acme-Cleveland's approach is productivity — supplying the products and systems that manufacturers everywhere need to produce more goods of higher quality with less waste and at lower cost. While not unique in pursuing this course, Acme-Cleveland is unusual for the completeness of the manufacturing systems it can provide from its own resources. The example illustrated is a total manufacturing system designed, equipped and installed by Acme-Cleveland divisions. From basic metal casting to finished component, these systems automatically shape, finish, check and package their products with speed and efficiency for high-volume production.

- Foundry equipment
SHALCO SYSTEMS
- Machine tools — transfer type
LaSALLE MACHINE TOOL
- Machine tools — automatic multiple spindle bar and chucking type
NATIONAL ACME
- Cutting and threading tools
CLEVELAND TWIST DRILL
- Handling, storage and assembly equipment
LaSALLE SYS-T-MATION
- Electric and electronic process controls
NAMCO CONTROLS
- Production system logic controls
LaSALLE ConCEP A.C. CONTROLS
- Purchased system components



FINANCIAL HIGHLIGHTS

	YEAR ENDED SEPTEMBER 30	
	1974	1973
Net Sales	\$169,442,000	\$127,851,000
Net Earnings	5,709,000	6,688,000
Earnings Per Common Share	1.43	1.74
Dividends Per Common Share	1.00	.82
Plant and Equipment:		
Expenditures	5,969,000	5,024,000
Depreciation	3,706,000	3,235,000
Number of Shareholders	7,742	7,604
Number of Employees	7,200	5,554



REPORT TO SHAREHOLDERS

Acme-Cleveland Corporation's fiscal year which ended September 30, 1974 was a year of solid accomplishment in many respects for our Company, but earnings were inadequate. Net sales of \$169,442,363 were 32.5% greater than in the previous year. Net earnings of \$5,708,880 or \$1.43 per share were 17.8% less than the \$1.74 per share earned in the preceding year. Dividends of \$1.00 per share were paid, compared with \$.82 a share during the previous year. Why the decline in earnings during a year of increased business activity?

Inflation — Price Controls — Shortages

The year began with the United States in the grip of shortages caused by the rapid and unsustainable expansion of late 1972 and 1973, by the oil embargo, and by the dislocations resulting from 2½ years of wage-price controls. The effects of these economic distortions continued throughout the year. Many of the materials and components, such as castings, bearings and electric motors, which are required for our products, were in short supply, and deliveries were undependable, resulting in our inability to ship machines because of the lack of a part. Coupled with increased production and sales levels, this resulted in our having substantially larger investments in inventories and accounts receivable, necessitating sizable bank loans to finance them. Unfortunately, these loans were made during a period of historically high interest rates, and therefore the increased interest expense adversely affected our earnings. As explained in footnote "E" to the financial statements in this report, we entered into a \$60,000,000 revolving credit agreement with a group of banks.

Throughout almost half of the year, most of the Company's products were sold under price controls. While this legislation was in effect, the only price relief we could obtain was for the provable cost increases at the time the relief was requested. There were no provisions made for inevitable, predictable future cost increases, so that by the time the orders were manufactured and shipped, many costs had increased beyond the levels existing at the time these orders were received. This erosion of profit margins was particularly severe for products with long manufacturing lead times.

When United States prices were decontrolled in March of 1974, the company had a large backlog of orders taken at unrealistically low, controlled prices, and this albatross will remain around our corporate neck until these orders have been filled. Custom and competitive forces make a policy of "price at time of delivery" impossible in most areas of our business. After decontrol, the costs of many of the things required in our operations increased even more than had been anticipated. Inflation, price controls and shortages conspired to affect our earnings adversely.

LIFO Inventory Valuation

During the fiscal year, inventory investment increased by almost \$17.5 million. However, the Company was able to avoid all but a relatively insignificant amount of illusory "inventory profit"

because it has for many years followed the practice of valuing inventories by the LIFO method. This procedure results in charging current income with current costs and avoids writing up inventories to reflect unrealized profits resulting from increased costs of items in inventory. The effect of this valuation method is explained in footnote "A" to the financial statements in this report.

Sales Prospects

The future demand for the Company's products looks quite favorable because our customer industries need increased productivity in order to protect their profit margins, and our products provide the means to increase productivity. Also, much of the world's manufacturing facilities are obsolete. Furthermore, recent shortages have resulted from insufficient capacity due to inadequate past investment in production equipment.

In spite of growing evidence of rapid economic slow-down in many industries, our incoming orders for expendable items, including tools and controls, have held up exceedingly well, and only recently have we been able to make significant inroads into our backlog of orders. We have an important job ahead of us to rebuild our finished product inventories. Incoming orders for capital equipment, including machine tools, manufacturing systems and foundry equipment, outpaced our ability to produce them. After months of hiring and training additional employees and struggling with shortages of materials and components, we are now reaching higher levels of output in all of our manufacturing plants, and efforts to improve still more our own productivity throughout all operations are showing results.

LaSalle Machine Tool, Inc.

We are proud to record the combination in June, 1974 of LaSalle Machine Tool, Inc. with Acme-Cleveland Corporation. Our new associate is a distinguished designer and builder of manufacturing systems, with manufacturing facilities in the United States, Canada and Italy. The addition of the LaSalle group is the biggest and most important single step to date toward Acme-Cleveland's goal of providing our customer industries with single-source responsibility for complete, integrated production systems. Acme-Cleveland's foundry equipment, machine tools, cutting and threading tools, gages and electrical controls, combined now with LaSalle's special and standard machine tools and material handling equipment, provide a broad range of production equipment. Our joint design and engineering know-how and installation capabilities will better enable us to provide these complete systems. The combined companies will have a broader, more diversified earnings base than either company by itself, which should help to stabilize earnings. This will better enable us to ride out a period of depressed business activity in any industry or region of the world.

Economic Comment

While LIFO protects inventories against inflation, other assets on a company's balance sheet are irrevocably eroded by inflation.

Depreciation allowances inadequate to provide funds to replace buildings, machinery and equipment make it necessary either to plow back significant amounts of retained earnings or to raise additional capital.

This erosion has become so severe that many fine companies have paid taxes on and dividends out of profits which would really be losses if their accounting procedures were allowed accurately to reflect the true effects of inflation. Many billions of dollars of industry's capital have been silently stolen this past year by inflation. For many years in the future, one of the great shortages in the world will be that of capital. Inflation is a thief of the first order.

In bargaining sessions throughout the country, one hears of efforts to protect the standard of living of employees. These efforts take the form of demands for exceedingly high wage increases, for larger cost of living adjustments, for greater pension benefits — all in the name of protection against the ravages of inflation. But corporations also are victims of inflation. To the extent that they cannot recover all their costs through adequate prices for their products, to that extent their future is impaired, and their ability to create jobs is jeopardized. Shareholders, too, are hurt by inflation. They also deserve consideration, though they get precious little of it. One may sympathize with the objective of trying to protect standards of living. However, there is only one way to accomplish this objective. That is to reduce the unit cost of getting goods and services into the hands of consumers. And that is precisely what our Corporation has been trying to help our customers do for the past 98 years.

If our country is to maintain its position as the leading industrial nation, we must focus our attention on how we can produce more goods of higher quality at lower costs. This is the time-tested path to progress and prosperity. Industry has its significant part to play in this challenge. If it is to survive, it must replace obsolete or obsolescent plant and equipment. It must root out at all levels inefficiencies and bad habits which have crept in during the recent period of great activity. It must critically re-examine its policies and update those which need revision.

Government, too, has a responsibility to examine critically its policies and programs. If history means anything, our government has a great deal of examining to do. All costs of government sooner or later must be reflected in prices for the goods and services we buy. Sound fiscal and monetary policies, as a means of overcoming inflation, can and should be supplemented by a heightened emphasis on increasing supply and raising productivity. It is unfortunate that for years governmental efforts to influence the course of economic activity have concentrated on the demand side rather than the supply side of the supply-demand relationship. Such an emphasis has not only contributed to our inflationary difficulties but overlooked a fundamental anti-inflationary approach. A conscious policy of fostering



Arthur S. Armstrong, W. Paul Cooper

supply and productivity improvements could only result in lower unit costs and, therefore, a higher standard of living for all. 1975 promises to be a year of unusual confusion. The world's monetary system has broken down. Some industries will be busy, while others will be struggling to stay alive. Inflation and recession will continue to walk hand in hand. Excessive petroleum prices may force some countries into bankruptcy.

Top-heavy debt structures will doubtless force some companies into bankruptcy. Inadequate capital will oblige other companies to delay important investments or to liquidate others. The attempts of many companies to regain liquidity and equilibrium will be difficult and will entail many unpleasant decisions. There are those who advocate new wage-price controls despite their inherent inequities and proven ineffectiveness in controlling inflation. The uncertainties and tensions in the Middle East are making planning very difficult. The threat of a renewed oil embargo lurks just around the corner. The possibility of another war in the Middle East cannot be ignored.

We have quite an assortment of concerns for the coming year; but, in spite of all of them, we remain cautiously confident of the future, since the opportunities for progress are still legion, and our organization is stronger than ever.

This report would not be complete without recording with deep sorrow the death of Mr. Ralph S. Schmitt, who retired in 1963 as Vice President and Secretary of The Cleveland Twist Drill Company and in 1969 after an illustrious career of 28 years as a Director. We shall miss his friendship and his sound judgment.

Arthur S. Armstrong

Arthur S. Armstrong
Chairman of the Board

W. Paul Cooper

W. Paul Cooper
President

CLEVELAND TWIST DRILL

the production system's cutting edge

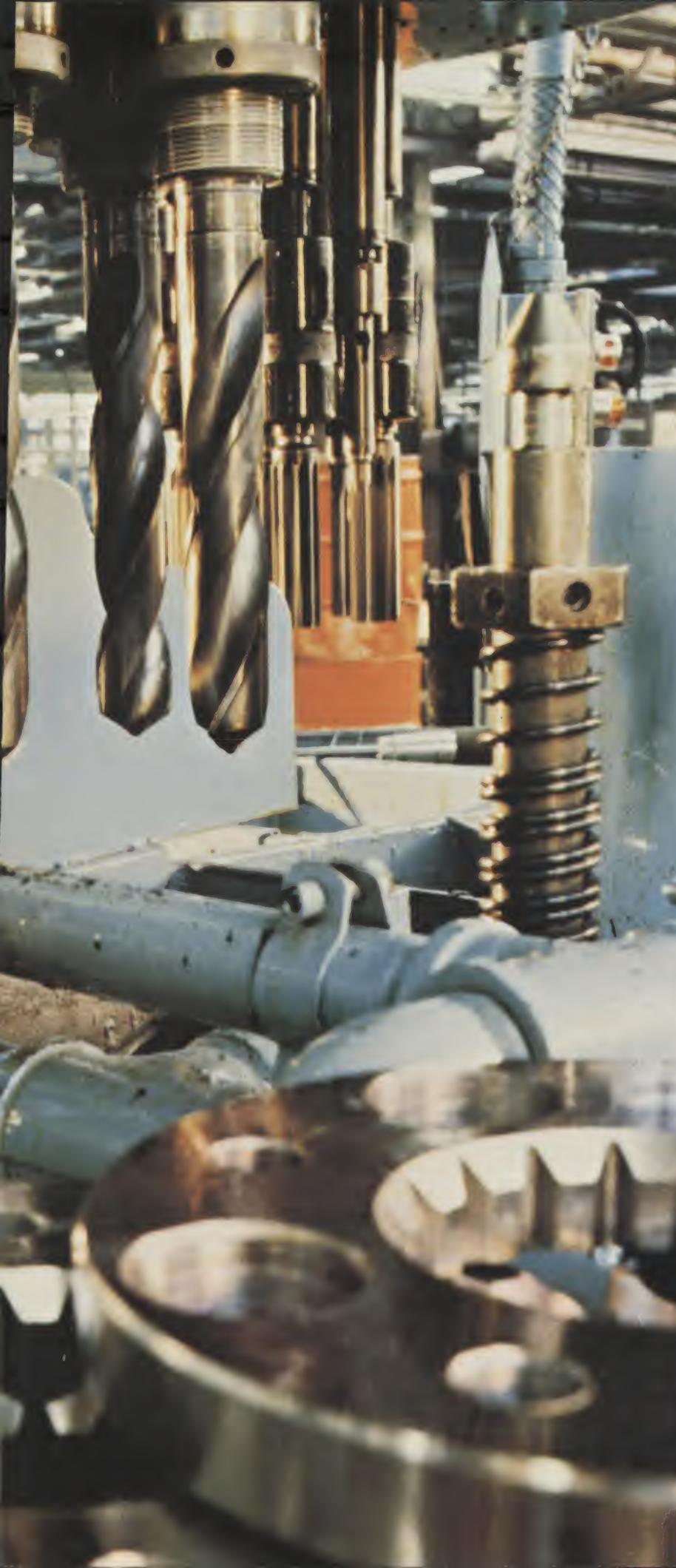
Virtually every production system must have tools that cut, drill, tap or mill. That's the picture into which Cleveland Twist Drill fits with its broad line of regular and special cutting tools that perform those operations. Used singly or in gangs, there will be countless expendable cutting or threading tools at work in an engine piston production line, for example. While variables such as hardness of the material being worked or geometry of the tool will determine how often the tools are replaced, the customer usually is concerned with getting the most production from his tool-buying dollar — a mutual concern of Cleveland Twist Drill. This holds true for production systems or for general manufacturing — either of which may involve working in ferrous or nonferrous metals, plastics, rubber or other materials.

Among Cleveland Twist Drill's other products is an expanding line of small grinding and threading machines for production and service that complement cutting and threading tools. Development and marketing of these machines have been consolidated in a new Machine Tools Division, established in 1974.

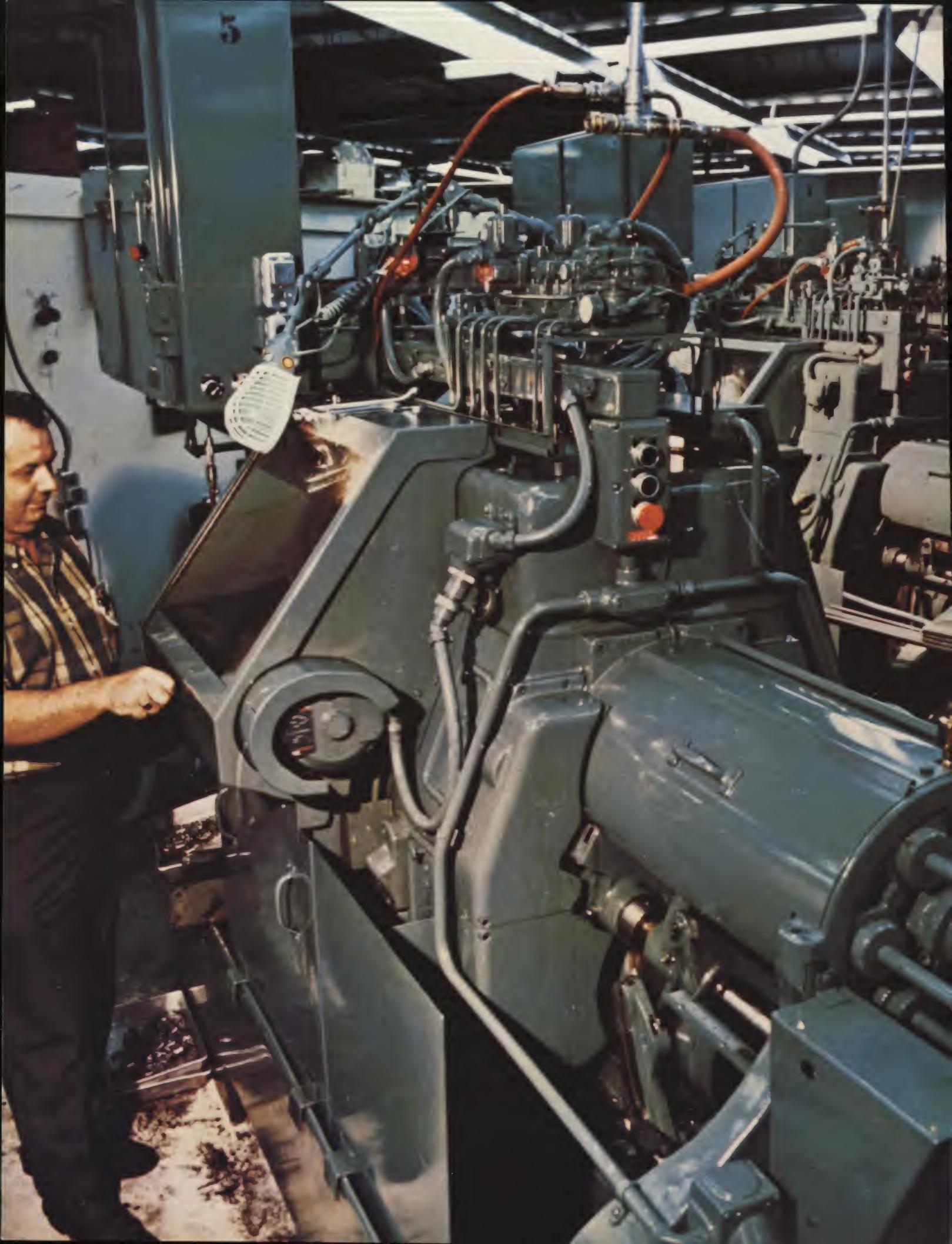
Orders increased in each of Cleveland Twist Drill's product areas last year despite emerging signs of general economic slow-down. Efforts during the year to meet demand and to assure that the company was able to remain competitive in a highly competitive industry include —

- refinement of computerized order and inventory systems;
- broadened advertising and promotional efforts;
- intensified training for sales and service personnel; market-oriented training sessions for manufacturing and engineering personnel;
- introduction of new products, such as a chaser holder permitting circular chaser thread cutting die heads to accept insert chaser styles for short-run jobs, and a high hook tap providing optimum shearing action for smoother taper pipe threads.





Two facets of heavy duty cutting tool application: multiple drilling in clutch plate production and (above) an adjustable blade reamer making a finishing cut in an axle housing.





NATIONAL ACME automated production of metal parts

Orders were booked by National Acme in 1974 at a rate unprecedented in peacetime. The current backlog fills the division's shipping schedule of automatic multiple spindle bar machines and chucks into mid-1976. While National Acme has the capacity to produce a substantially higher volume of machines than it was shipping during 1974, material shortages and slow deliveries from suppliers caused costly delays during the year.

Faced with similar problems of increased costs, customers are ordering more Acme-Gridley machines to gain production volume and cost advantages. As one example, manufacture of a solid brass telephone jack sleeve, made in the millions each year, was switched to $\frac{5}{8}$ " RN-6 machines. Total process time was cut from 4.1 seconds per part to 1.5 seconds, including an additional finishing step. Machine set-up time was reduced and the need for control checks cut in half.

The significance of such savings increases dramatically when six, eight or more Acme-Gridleys are

used within a complete production system, their output being fed automatically to other machines for further processing and assembly.

During 1974 the demand for fully tooled Acme-Gridley machine tools to produce specific close-tolerance parts, ready to run with minimum start-up adjustment, continued to increase. National Acme's link with Cleveland Twist Drill's product application skills helped meet this need.

Also important to National Acme competitively, the noise levels of standard Acme-Gridleys are now within the Occupational Safety and Health Act (OSHA) limits. Many customers, however, want still quieter machines. National Acme has been able to reduce levels on new machines to an 80 decibel rating (dBA) and is doing a large amount of work in customer plants to bring earlier machine models into compliance with OSHA standards.



A typical bank of Acme-Gridley multiple spindle bar machines. The output from a single unit typifies the millions of parts produced on this equipment daily around the world.

LaSALLE MACHINE TOOL

producing
the finished component:
automated machining,
parts transfer and control,
and assembly

The joining of LaSalle and Acme-Cleveland in mid-1974 brought to the corporation new capabilities of considerable depth in the standard and special machine tool field. This added potential, coupled with compatible expertise in the other corporate divisions, offers broader opportunities for Acme-Cleveland products in total systems applications throughout the markets of the world.

LaSalle built its reputation initially by supplying U.S. auto, truck and bus manufacturers with individual special machines to produce various parts in vehicle power train components — engine, transmission and rear axle. Over the years the company expanded into world automotive markets and those of farm and construction equipment. During this period LaSalle developed an excellent reputation with what is referred to as the Total Manufacturing System concept.

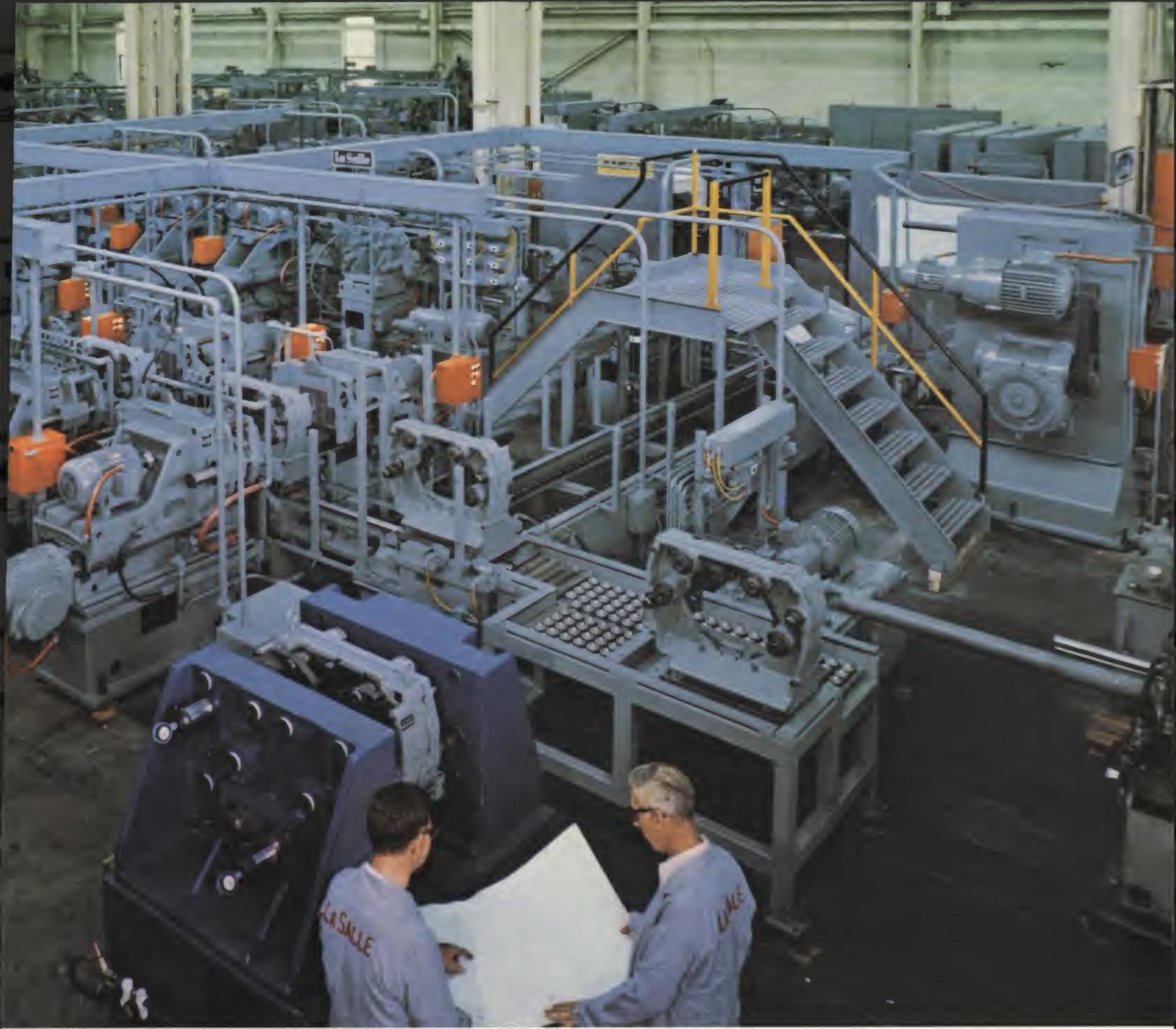
A LaSalle manufacturing system begins with a part at the rough casting stage and provides the machinery and equipment to perform all of the operations necessary to produce a finished part. An example of this concept is a piston line for diesel engines that LaSalle engineered and manufactured recently for a major automotive producer in Europe. This line accepts the piston casting from foundry equipment and takes it through all of the machining, gaging and inspection operations, including heat treating and parts washing functions. The end of the line is an operation that automatically wraps the finished pistons in corrosion preventing paper and packages them in matched sets for shipment.

Under its turn-key responsibility, LaSalle also provides supervision of installation, operator training, and production start-up assistance to assure that its Total Manufacturing System is in accordance with customer expectations.



LaSalle engineers and manufactures machinery in facilities located in Michigan, Canada and Italy. The company's Sys-T-Mation division supplies the parts handling, storage, washing and packaging equipment. Electrical controls for much of its machinery come from its ConCEP A.C. Controls division.

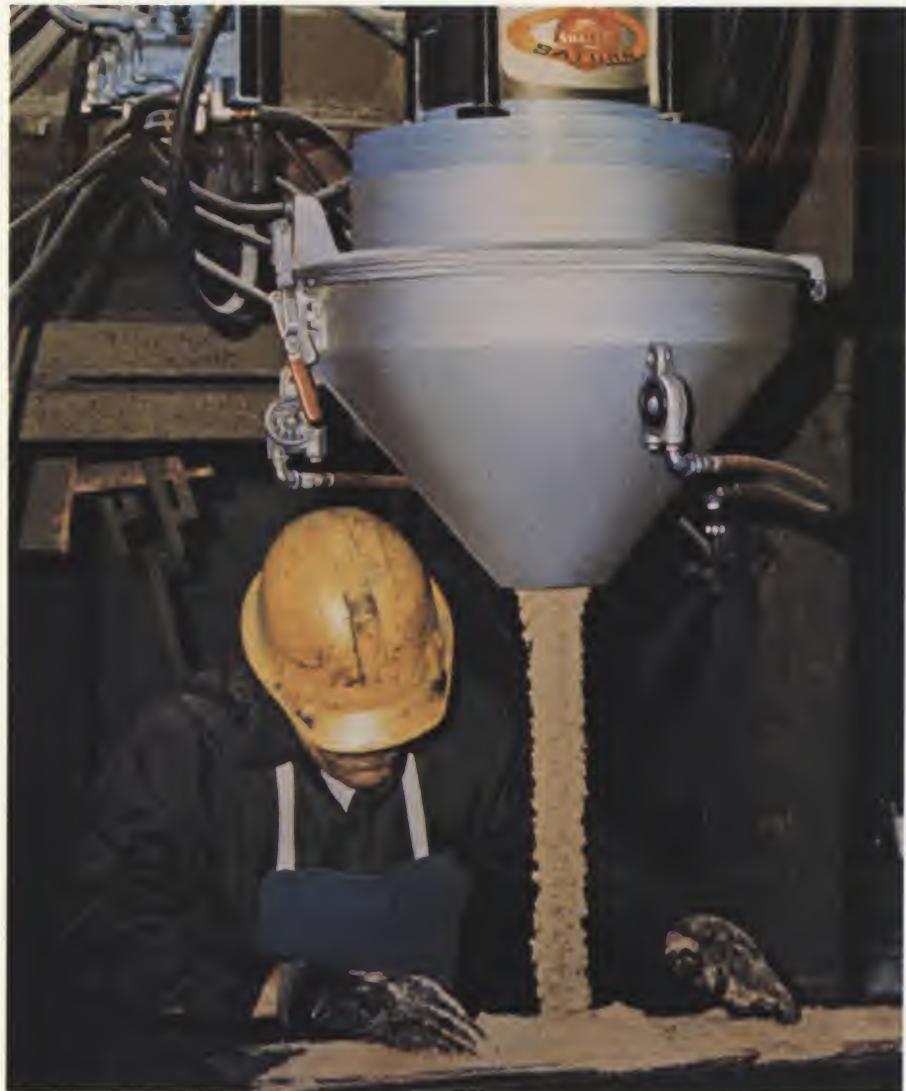
Success in the total systems approach, applied on a world-wide basis, has been a prime factor in LaSalle's rapid growth in recent years. Orders from international markets account for more than 50 percent of LaSalle's substantial backlog and are helping to offset downturns in domestic markets due to the current drop in U.S. auto production.



A LaSalle multi-station manufacturing system for automotive transmission converter housings operates with logic controls (below) designed by LaSalle's ConCEP A.C. Controls division.

SHALCO SYSTEMS

shaping the raw material



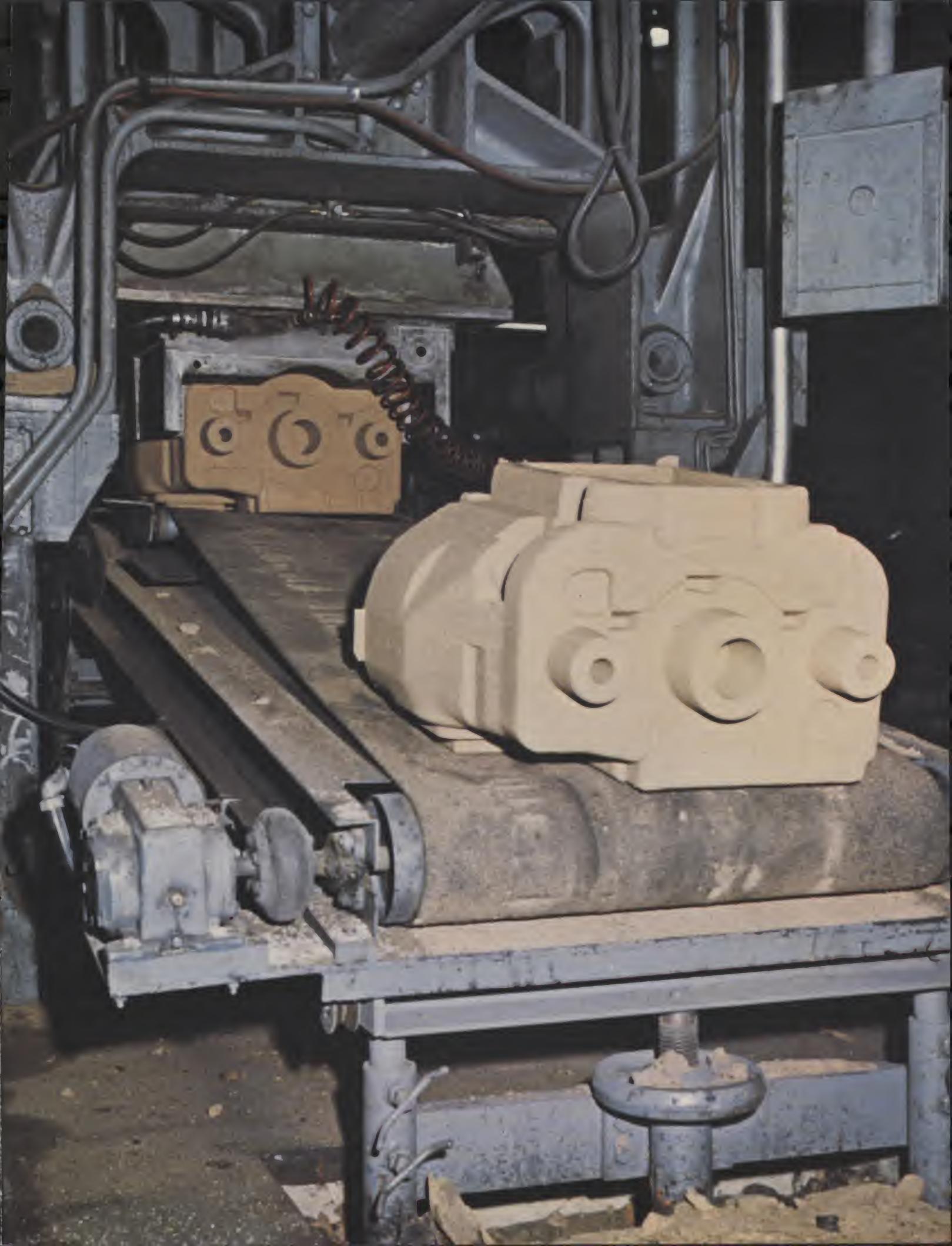
Molding sand blended in a Saturn mixer flows direct to the core-blower, which in this operation (opposite page) is a Shalco cold box machine automatically forming and curing cores in seconds, ready to be matched with their molds for hot metal casting.

The finished product from the most sophisticated production line is only as good as the quality and dimensional consistency of the castings which enter the line. That quality, in turn, depends on the core and molding process, and on the engineering and "know-how" applied. Product innovation and aggressive marketing have made Shalco Systems a leading supplier of foundry shell molding machinery in the U.S. and abroad. Beyond its sales to independent and captive foundries, Shalco is supplying an increasing number of machines as integral units of total foundry systems. Shalco engineers assist in integrating the molding and casting operations with the balance of the processing line, making the foundry system a completely self-contained operation.

A substantial part of Shalco's current volume is in "hot box" machines, which use heat to set the molding sand. Since 1968, however, the division has been in the forefront of "cold box" development. Shalco recognized the promising future of the new cold box process at its inception and immediately made in-depth studies regarding its possibilities. By using special sand mixtures and gas rather than heat, the new method eliminates disadvantages inherent in conventional heat setting and, with certain types of molds, improves the end results. Shalco has become a primary source for cold box machines in this country and has developed a complete line of Monomatic core/mold machines, from the Model 4-101—the smallest of the group—to the Model 4-106, which is considered one of the largest core/mold producing machines in the world.

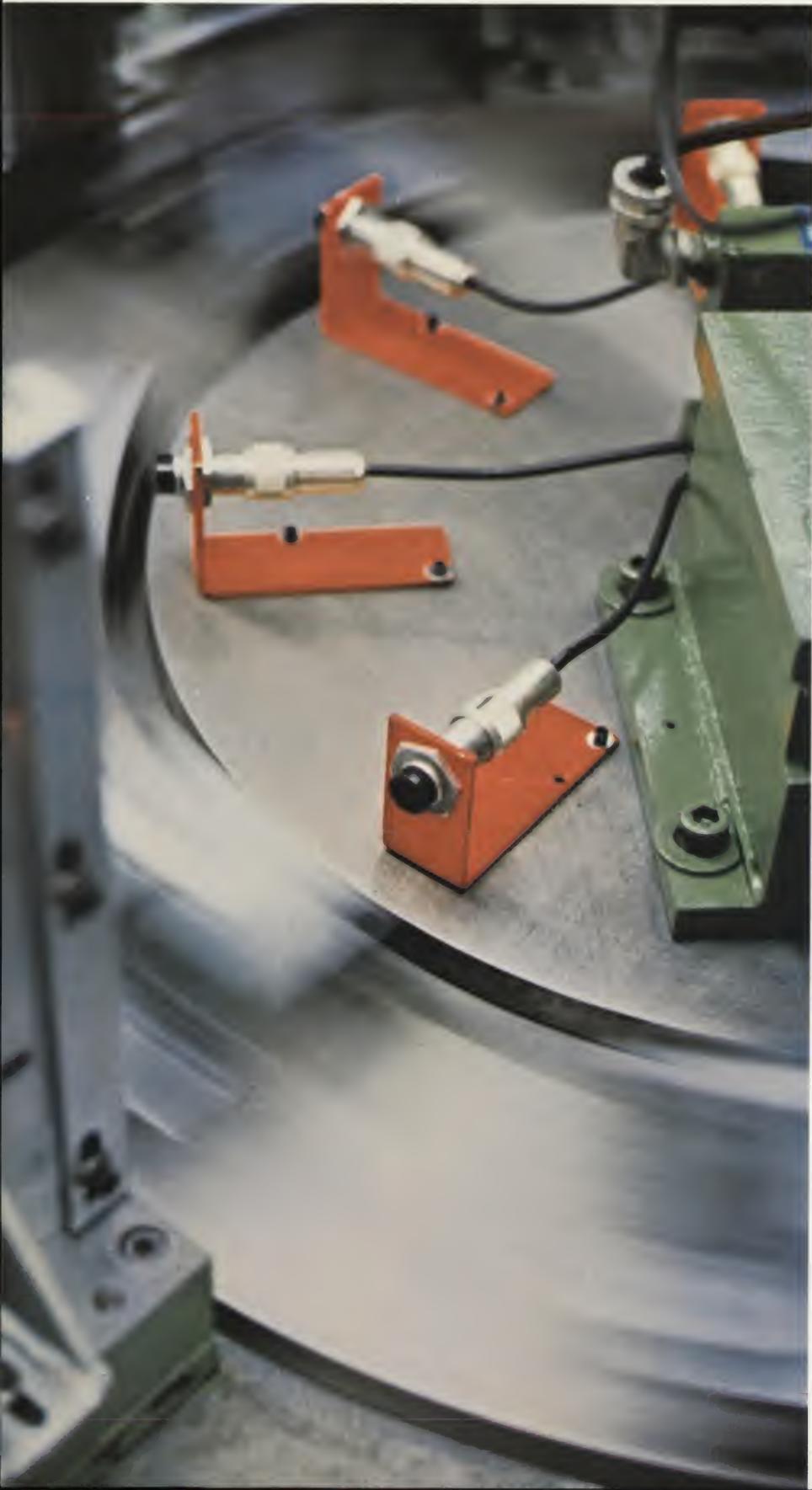
The Shalco Saturn-2 on-demand continuous mixer has been perfected to the point that it will efficiently prepare almost all present-day foundry sand mixtures. This unit incorporates a unique approach in intimately combining sand with various liquid binders. To meet customers' needs to produce larger cores and molds, a double-head Saturn-2 unit has been recently developed.

The higher shipment volume Shalco is projecting for 1975 will have the support of a new 62,000-square-foot plant in Kewanee, Illinois, which is scheduled for completion in mid-1975.



NAMCO CONTROLS

guiding and controlling specific operations



Relatively small in size but critical to many types of operations, Namco Controls' devices may operate at many locations within a production system. Their individual functions integrate with the system's overall control.

Limit switches and panel switches serve to control relays, timers, motor starters, brakes and clutches. Namco solenoids actuate hydraulic and pneumatic valves in the system's production and transfer units. Proximity switches sense position, measure, count and detect parts as they flow through processing toward assembly.

Namco's sales for complete systems applications as such are still relatively small. Its major customers are original equipment manufacturers, like National Acme and LaSalle, who design Namco controls into individual components, machines or transfer lines. Namco is also a major supplier of limit switches for valves used in nuclear and fossil-fueled electric power generating plants.

The fastest-growing portion of Namco's business is in electronics: solid state proximity switches, sensors, relays and motion switches. Increasing sales are the result of new product developments and new customer applications. Among the division's latest products is a line of completely new miniature self-contained radio-frequency proximity switches, price-competitive with standard electro-mechanical limit switches.

During the year, Namco opened a new plant in Mentor, Ohio, exclusively for electronics. The move provides more space in the Jefferson, Ohio plant for solenoids and limit switches, and brings Namco's electronics group closer to Acme-Cleveland Development Company where various Namco projects are under way.

Split-second sequence of precision measurement: sensors gage and count small parts at each station, relaying signals to Namco radio-frequency proximity switches near the revolving assembly table; the switches effect corrective action if the sensors detect an error.

ACME-CLEVELAND
DEVELOPMENT COMPANY
the technological focus



Completing its first full year of operation, ACDC has confirmed the logic of concentrating Acme-Cleveland's technical resources to reach better solutions to problems faster. The new division is meeting corporate management's expectations for its progress and is even approaching the ambitious standards set by its own management and personnel.

ACDC has drawn together many of the company's top technicians to focus their joint efforts on the tough technical problems and requirements of the operating divisions, freeing those divisions to give their full attention to production, sales and profitability. The technical division has the staff, time and responsibility to concentrate on immediate problems without interruption and, in parallel, to pursue longer-range projects involving new product development, materials research, and the development of new production system technology.

ACDC's approach to technical projects for Acme-Cleveland companies involves operating and sales management in the continuing evaluation of new developments.

The press for increasing productivity and reducing costs has put heavy emphasis on manufacturing process development. End-results in this area include lower-cost methods for making proximity switches, a new tap testing machine for improved quality control, and a better method for accurately pointing twist drills.

ACDC's support in new product development is equally tangible: refinement of critical components in new bar machines, sound reduction designs and devices for machine tools, broader applications for proximity switches, and adaptations for Shalco's Saturn mixer to handle the range of materials required for cold box foundry molds.

INTERNATIONAL OPERATIONS

products and production systems for world markets





LaSalle president Robert I. Sattler headed the sales team at Stanki-74.



Shalco Systems' exhibit at the European foundry industry's Giesserei Fachausstellung, Dusseldorf, West Germany, centered on demonstrations of cold box mold forming.

Exports from the U.S. and sales made by Acme-Cleveland companies abroad reached 26 percent of total volume in fiscal 1974. Shipments went to every major world market. Trademarks appearing on Acme-Cleveland products are currently registered in 81 countries.

Overseas volume was increased by exports of total manufacturing systems from LaSalle Machine Tool, whose sales were consolidated with the parent company's for the final quarter of fiscal 1974. This new subsidiary also added to Acme-Cleveland sales to the Soviet Union and other Eastern European countries. LaSalle is well-established in these markets through automated manufacturing systems for auto, truck and tractor production.

Because of the requirements of U.S. customers, exports of Acme-Gridley machines in 1974 were

LaSalle's exhibit – an engine piston manufacturing system in operation – pulled heavy traffic at Moscow's Stanki-74 Tool Show.



National Acme featured its "quiet Acme-Gridleys" at the International Machine Tool Builders Show in Chicago.



Cleveland Twist Drill, one of four Acme-Cleveland exhibitors at the IMTB Show, demonstrated its threading equipment and new models of other small machines.

held to approximately the same level as in 1973. Shalco Systems' European sales again increased because of heavy demand for foundry modernization and for increased foundry capacity. Shalco Systems GmbH in Homberg, West Germany, which began operations in December, 1973, played an important part in this market.

Cleveland Twist Drill reported higher sales at all of its subsidiaries abroad. Herramientas Cleveland, S.A., in Mexico, led with a 35.3 percent sales gain. Cleveland Twist Drill Limited, in Scotland, had 17.9 percent higher sales despite production cutbacks due to energy shortages in the U.K. These subsidiaries, like those in The Netherlands, West Germany and Canada, are carrying heavy back-orders into 1975.

Ambitious to further increase their overseas market penetration, Acme-Cleveland companies carry on a continuing effort in international sales promotion. The breadth of that effort in 1974 is indicated by the trade exhibition photos on this page.

TEN YEAR STATISTICAL REVIEW

Acme-Cleveland Corporation and Subsidiaries

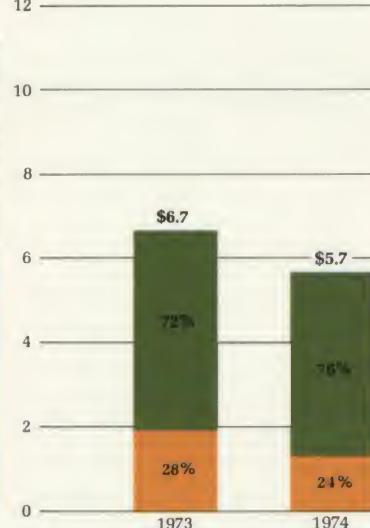
Revenues

In Millions



Earnings

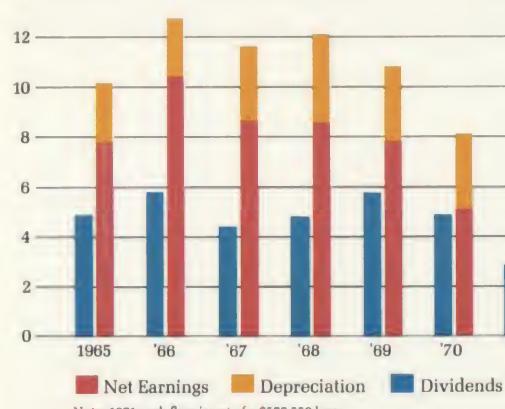
In Millions



Cash Flow and Dividends

Millions of Dollars

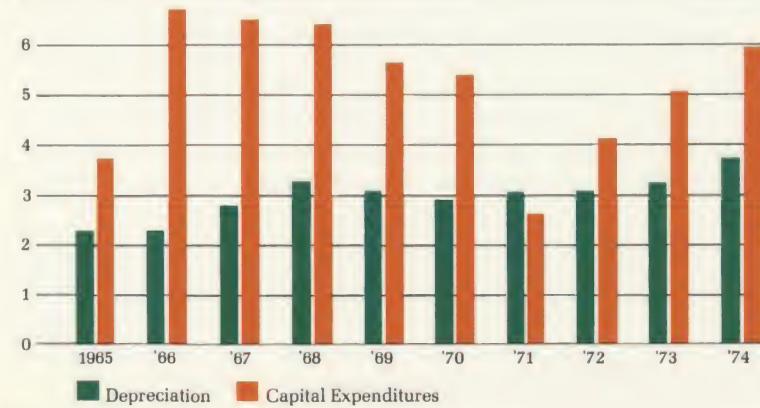
14



Capital Expenditures and Depreciation

Millions of Dollars

7



1974

Sales and Earnings

Net Sales	\$169,442,363
Earnings (Loss) before Taxes	10,493,880
Income Taxes	4,785,000
Net Earnings (Loss)	5,708,880
Net Earnings to Net Sales	3.4%
Earnings (Loss) per Common Share	1.43
Dividends Paid	3,985,976

Other Financial Information

Current Assets	\$131,841,833
Current Liabilities	47,980,021
Working Capital	83,861,812
Shareholders' Equity (Net Worth)	77,028,520
Shareholders' Equity per Common Share	17.28
Property, Plant and Equipment—Net	43,890,446
Capital Expenditures	5,968,552
Depreciation	3,706,216

General Information

Average number of Common Shares Outstanding	3,969,178
Number of Shareholders	7,742
Number of Employees—Year-End	7,200

*Includes extraordinary credits of \$687,000 or \$.18 per share.

The 1969 figures are for the 12 months ended September 30, which includes the transitional 3-month period ending December 31, 1968, which was previously reported. All figures in this report are combined to reflect the merger of The Cleveland Twist Drill Company and National Acme Company in 1968 on a pooling of interest basis. The 1968 figures are for the 12 months ended December 31. Figures for 1967 and prior years are the result of combining the 12 months ended December 31, for National Acme Company with the 12 months ended September 30, for The Cleveland Twist Drill Company.

1973	1972	1971	1970	1969	1968	1967	1966	1965
\$127,850,966	\$96,001,120	\$81,358,419	\$104,631,272	\$109,827,768	\$109,390,676	\$108,470,330	\$106,046,914	\$85,845,324
12,563,828	6,056,604	(1,007,559)	9,103,766	16,207,859	17,629,824	17,304,475	19,861,715	14,707,327
5,876,000	2,879,000	(430,000)	4,570,000	8,290,000	8,779,382	8,002,167	9,177,619	6,749,635
6,687,828	3,177,604	(577,559)	5,220,766*	7,917,859	8,850,442	8,997,963	10,684,096	7,957,692
5.2%	3.3%	—	5.0%*	7.2%	8.1%	8.3%	10.1%	9.3%
1.74	.83	(.15)	1.36*	2.05	2.22	2.25	2.67	2.01
3,148,280	3,075,786	3,075,626	4,996,552	5,949,069	4,941,590	4,514,617	5,994,599	5,087,693
\$ 71,453,340	\$57,493,398	\$58,544,616	\$ 61,186,389	\$ 58,449,567	\$ 58,726,106	\$ 58,532,750	\$ 57,996,777	\$52,980,417
27,206,073	15,768,995	11,164,606	14,014,431	20,194,447	23,612,285	16,412,771	16,383,332	10,449,038
44,247,267	41,724,403	47,380,010	47,171,958	38,255,120	35,113,821	42,119,979	41,613,445	42,531,379
66,855,616	63,600,922	63,499,104	67,147,289	66,909,765	64,801,836	66,403,215	61,545,446	56,802,355
17.42	16.54	16.52	17.47	17.41	16.91	16.57	15.41	14.34
31,169,157	29,863,420	29,295,784	30,052,809	27,731,116	25,886,891	22,999,108	18,462,677	13,731,357
5,023,718	4,089,657	2,666,573	5,422,425	5,681,331	6,468,505	6,517,241	6,712,255	3,740,508
3,234,652	3,046,095	3,044,998	2,930,853	3,051,725	3,276,479	2,827,291	2,278,132	2,260,767
3,836,847	3,844,732	3,844,547	3,843,427	3,853,801	3,983,985	4,004,908	3,994,938	3,960,358
7,604	7,632	7,946	8,033	8,097	6,883	6,979	6,697	6,187
5,554	4,912	4,759	5,451	5,402	5,414	5,383	5,121	4,598

**STATEMENT OF
CONSOLIDATED EARNINGS**
Acme-Cleveland Corporation and Subsidiaries

	YEAR ENDED SEPTEMBER 30	
	1974	1973
Revenues:		
Net sales	\$169,442,363	\$127,850,966
Other income	2,380,897	2,664,845
	171,823,260	130,515,811
Cost and expenses:		
Cost of products sold	126,022,710	90,417,166
Selling, administrative and general expense	27,825,070	22,873,391
Depreciation — Note A	3,706,216	3,234,652
Interest	3,486,962	991,969
Other	288,422	434,805
	161,329,380	117,951,983
	Earnings before Income Taxes	12,563,828
Income taxes — Note D	4,785,000	5,876,000
	Net Earnings	\$ 5,708,880
Net earnings per Common Share — Note J	\$1.43	\$1.74

**STATEMENT OF CONSOLIDATED
SHAREHOLDERS' EQUITY**

Acme-Cleveland Corporation and Subsidiaries

	Preferred Shares		Common Shares		Other Capital	Retained Earnings	Total
	Shares	Amount	Shares	Amount			
Balance at October 1, 1972			3,844,732	\$3,844,732	\$3,293,774	\$56,462,416	\$63,600,922
Net earnings for the year						6,687,828	6,687,828
Cash dividends, quarterly at \$.20 a share through the third quarter and at \$.22 a share for the fourth quarter						(3,148,280)	(3,148,280)
Purchase of Common Shares for treasury			(22,500)	(22,500)	(19,276)	(243,078)	(284,854)
Balance at September 30, 1973			3,822,232	3,822,232	3,274,498	59,758,886	66,855,616
Net earnings for the year						5,708,880	5,708,880
Cash dividends:							
Preferred Shares, issued July 1, 1974 — \$.27 a share						(16,798)	(16,798)
Common Shares \$1.00 a share						(3,969,178)	(3,969,178)
Issuance of Preferred and Common Shares to acquire LaSalle Machine Tool Inc.	62,215	\$808,795	587,785	587,785	7,053,420		8,450,000
Balance at September 30, 1974	62,215	\$808,795	4,410,017	\$4,410,017	\$10,327,918	\$61,481,790	\$77,028,520

See notes to consolidated financial statements.

**STATEMENT OF CONSOLIDATED
FINANCIAL POSITION**
Acme-Cleveland Corporation and Subsidiaries

	SEPTEMBER 30	
	1974	1973
Current Assets		
Cash	\$ 4,236,674	\$ 2,814,353
Trade receivables:		
Accounts	44,237,029	19,958,871
Notes and installment contracts, including amounts due beyond one year (1974—\$2,059,825; 1973—\$2,376,301)—Note A	<u>4,704,807</u>	4,547,500
Costs and estimated earnings in excess of billings on uncompleted contracts (less progress payments of \$3,027,000)—Note A	<u>48,941,836</u>	24,506,371
Inventories—Note A:		
Work in process and finished products	46,087,561	37,595,572
Raw materials and supplies	<u>15,450,666</u>	6,537,044
	<u>61,538,227</u>	44,132,616
	131,841,833	71,453,340
Less Current Liabilities		
Notes payable to banks	7,386,863	2,919,720
Accounts payable and accrued expenses	23,581,232	11,131,625
Salaries, wages, other compensation and payroll taxes	9,138,573	6,677,722
Billings in excess of costs and estimated earnings	5,506,974	-0-
Income taxes	1,514,417	3,288,968
Current portion of long-term debt	851,962	3,188,038
	47,980,021	27,206,073
	83,861,812	44,247,267
Working Capital		
Property, Plant and Equipment —on the basis of cost—Note E		
Land	3,281,545	2,256,521
Buildings	24,557,802	19,322,650
Machinery and equipment	<u>57,414,713</u>	48,075,387
	<u>85,254,060</u>	69,654,558
Less allowances for depreciation	<u>41,363,614</u>	38,485,401
	43,890,446	31,169,157
Other Assets		
Excess of cost over net assets of acquired companies, less accumulated amortization—Notes A and B	1,127,765	357,140
Other assets	<u>3,034,660</u>	2,278,898
	<u>4,162,425</u>	2,636,038
	131,914,683	78,052,462
Long-Term Liabilities		
Long-term debt—Note E	51,075,644	9,679,581
Deferred income taxes—Note D	2,103,490	1,517,265
Foreign severance indemnity—Note H	<u>1,707,029</u>	-0-
	<u>54,886,163</u>	11,196,846
	\$ 77,028,520	\$66,855,616
Net Assets—Representing Shareholders' Equity		
Shareholders' Equity		
Serial Preferred Shares, without par value:		
Authorized—1,000,000 Shares		
Issued and outstanding Series A \$1.08, cumulative, convertible 62,215 shares (liquidation preference, \$746,580)—Note B	\$ 808,795	\$ -0-
Common Shares, par value \$1 per share—Note G:		
Authorized—10,000,000 shares		
Issued and outstanding, excluding 22,500 shares held in treasury	4,410,017	3,822,232
Other capital	<u>10,327,918</u>	3,274,498
Retained earnings—Note E	<u>61,481,790</u>	59,758,886
	\$ 77,028,520	\$66,855,616

See notes to consolidated financial statements.

**STATEMENT OF CHANGES IN
CONSOLIDATED FINANCIAL POSITION**
Acme-Cleveland Corporation and Subsidiaries

Source of Funds	YEAR ENDED SEPTEMBER 30	
	1974	1973
From operations:		
Net earnings	\$ 5,708,880	\$ 6,687,828
Items not requiring outlay of working capital		
Depreciation	3,706,216	3,234,652
Deferred federal income taxes	586,225	127,000
	Total from Operations	10,001,321
Disposals of property, plant and equipment	370,534	483,329
Increase in long-term debt	48,125,000	1,358,017
Issuance of Preferred and Common Shares for the acquisition of LaSalle Machine Tool, Inc.	8,450,000	-0-
	66,946,855	11,890,826
Application of Funds		
Purchase of Common Shares for treasury	-0-	284,854
Dividends paid	3,985,976	3,148,280
Additions to property, plant and equipment	5,968,552	5,023,718
Reduction of long-term debt	12,836,832	507,800
Other	598,010	403,310
Non-current net assets of LaSalle Machine Tool, Inc.		
Property, plant and equipment	10,264,394	-0-
Other assets	668,470	-0-
Excess of cost over net assets	825,000	-0-
Long-term debt	(6,107,895)	-0-
Foreign severance indemnity	(1,707,029)	-0-
	27,332,310	9,367,962
	Increase in Working Capital	\$39,614,545
	ACQUIRED FROM LASALLE MACHINE TOOL, INC. JULY 1, 1974	TOTAL CHANGE
Changes in the Components of Working Capital		
Current assets — increase (decrease):		
Cash	\$ 702,343	\$ 829,514
Trade notes and accounts receivable . .	21,996,796	6,521,611
Net costs on uncompleted contracts . .	16,516,007	-0-
Inventories	3,520,027	6,608,817
Current liabilities — (increase) decrease:		
Notes payable to banks	(23,374,514)	(1,891,804)
Accounts payable and accrued expenses .	(8,525,139)	(3,586,891)
Salaries, wages, other compensation and payroll taxes	(1,737,279)	(2,514,552)
Billings in excess of costs and estimated earnings	(3,338,874)	-0-
Income taxes	(67,282)	(625,212)
Current portion of long-term debt	(1,185,025)	(2,818,619)
	Increase in Working Capital	\$ 4,507,060
	\$39,614,545	\$ 2,522,864

See notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Acme-Cleveland Corporation and Subsidiaries
September 30, 1974 and 1973

Note A — Accounting Policies and Practices

Acme-Cleveland Corporation and its subsidiaries' accounting and reporting policies conform to generally accepted accounting principles and to industry practices on a consistent basis between years. Significant accounting policies and practices, for which alternative practices are available, are described below:

CONSOLIDATION — The consolidated financial statements include the accounts of the Corporation and all of its subsidiaries. Long-term assets of foreign subsidiaries are translated at the rates of exchange in effect at the dates these assets were acquired. All other assets and liabilities, including debt payable in local currencies, are translated at the rate of exchange at the close of the period. Translation adjustments, not material in amount, are charged or credited to income. Revenue and expense accounts are translated at the average exchange rates which were in effect during the year except for depreciation and amortization, which are translated at the rates of exchange which were in effect when the respective assets were acquired. Upon consolidation, all significant intercompany items and transactions are eliminated. Revenues, net earnings and net assets of the foreign subsidiaries approximated \$17,510,000, \$650,000, \$10,180,000 at September 30, 1974 and \$13,420,000, \$620,000, \$7,550,000 at September 30, 1973.

TRADE RECEIVABLES — In accordance with industry practice, installment contracts receivable due beyond one year are classified as current assets.

LONG-TERM CONTRACTS — Long-term contracts are accounted for on the percentage of completion method for financial reporting purposes with costs and estimated earnings included in sales when progress is sufficient to estimate final results with reasonable accuracy. When the current contract estimate indicates a loss, provision is made for the total anticipated loss.

INVENTORIES — Inventories are priced at cost (principally last-in, first-out method of determination) not in excess of replacement market. If the first-in, first-out (FIFO) method of inventory accounting had been used by the Corporation, inventories would have been \$15,663,000 and \$11,715,000 higher than reported at September 30, 1974 and September 30, 1973, respectively.

DEPRECIATION — Depreciation of property, plant and equipment is computed by the straight-line method based upon the estimated useful lives of the assets.

PENSION EXPENSE — Annual pension expense provides for normal cost and amortization of prior service costs over periods of 15 to 40 years.

RESEARCH AND DEVELOPMENT — Research and development expenditures are charged to operations as incurred.

CANCELLATION CLAIMS — Revenues from cancellation claims are recognized when final settlement with the customer occurs.

EXCESS OF COST OVER NET ASSETS OF ACQUIRED COMPANIES

The excess of cost of acquired companies over their net assets at acquisition dates is being amortized by the straight-line method over periods not in excess of 40 years.

INCOME TAX — Income taxes were reduced by \$193,000 (\$189,000 in 1973) for investment tax credit which is accounted for by the flow-through method.

Income taxes are provided on worldwide income at the appropriate statutory rates applicable to such income. Since the Corporation plans to finance foreign expansion and operations by reinvestment of the earnings of foreign subsidiaries, no deferred federal income taxes have been provided on approximately \$1,776,000 of the unremitted earnings of such subsidiaries.

The Corporation's Domestic International Sales Corporations (DISCs), which receive certain tax benefits under provisions of the Revenue Act of 1971, had unremitted earnings of approximately \$965,000 for which federal income taxes have not been provided.

Note B — Acquisition of LaSalle Machine Tool, Inc.

In a transaction accounted for as a purchase as of July 1, 1974, the Corporation acquired all the outstanding common shares and preferred shares of LaSalle Machine Tool, Inc. in exchange for 587,785 Common Shares and 62,215 Series A Convertible Preferred Shares. The Series A Preferred Shares have voting rights on a share-for-share basis with the Common Shares, assets preference upon liquidation or dissolution of \$12 per share, the right to convert the shares on a share-for-share basis into Common Shares after June 30, 1975, and the right of the Corporation, after June 30, 1979, to redeem the shares at a price of \$13 per share.

Note B continued

LaSalle is a principal designer and producer of special manufacturing systems, including transfer machines, capable of performing automatically all machining, assembly and other operations on parts for a wide variety of products. The accompanying consolidated statement of earnings reflects the results of LaSalle operations for only the final quarter of fiscal 1974. Annual pro forma results of operations assuming LaSalle was acquired on October 1, 1972 are as follows:

	SEPTEMBER 30	
	1974	1973
(In Thousands)		

Net sales	\$209,058	\$174,224
Net earnings	5,176	4,866
Net earnings per share*	\$1.16	\$1.08

**(Based on average shares outstanding plus the shares issued in connection with the purchase of LaSalle.)*

The 587,785 Common Shares and the 62,215 Preferred Shares issued have been recorded at their estimated fair market value as of the date of the agreement in principle, which exceeded the fair market value of LaSalle's net assets by \$825,000. At September 30, 1974 the Corporation had unused foreign tax credits of approximately \$750,000 relating to the operations of LaSalle Machine Tool, Inc. which expire principally in fiscal 1975. In addition, the Corporation's Italian subsidiary has approximately \$1,900,000 of loss carryforwards available through 1978. To the extent that these credits and carryforwards are utilized, goodwill and then property, plant and equipment will be reduced.

Note C — LaSalle Machine Tool — Italia

The Corporation's Italian subsidiary acquired in the merger with LaSalle Machine Tool, Inc. will require additional financing in order to meet current working capital requirements and to continue as a viable business entity. This is principally due to the subsidiary having been financed by short-term borrowings, which because of the current economic condition in Italy are not now sufficiently available. So long as the continuing operation of the subsidiary is deemed to be in the best interest of the Corporation, it intends to obtain interim financing as needed by advances or guaranteeing the interim debt of the subsidiary. The Corporation intends to seek a longer term solution by obtaining long-term debt financing, hopefully in Italy. Corporation officers believe that the Corporation has a good chance of obtaining such financing, and therefore no provision for any loss involving investment, advances and guarantees related to the Italian subsidiary has been made in the accompanying financial statements. The total of such investment, advances and guarantees is \$3,400,000 at November 27, 1974.

Note D — Income Taxes

Deferred income taxes are provided to recognize the effect of timing differences between financial and tax reporting, principally relating to depreciation, long-term contracts and DISC income.

Income tax expense is summarized as follows:

	(In Thousands)	
	1974	1973
Federal		
Current	\$3,456	\$4,707
Deferred	266	26
	<u>3,722</u>	<u>4,733</u>
Foreign		
Current	349	572
Deferred	330	101
	<u>679</u>	<u>673</u>
State and local (principally current)	<u>384</u>	<u>470</u>
	<u><u>\$4,785</u></u>	<u><u>\$5,876</u></u>

The difference between the actual income tax rate and that computed by applying the U.S. federal income tax rate of 48% is summarized as follows:

	1974	1973
Actual rate	45.6%	46.8%
Investment credit	1.8	1.5
Benefits attributable to DISC earnings	2.4	1.2
Effect of foreign income taxes	(.5)	.6
State income taxes	(1.9)	(1.9)
Other items6	(.2)
	<u>48.0%</u>	<u>48.0%</u>

Note E — Long-Term Debt

	SEPTEMBER 30	
	1974	1973
Loans from banks under revolving credit agreement	\$48,125,000	\$ -0-
Loans from banks under term loan agreement	-0-	10,000,000
Lease obligation to the State of Ohio requiring payments (including interest averaging 6%) of approximately \$158,000 annually through December 1, 1980	900,385	1,002,316
Various debt arrangements of foreign subsidiaries maturing at various dates to 1981 and having interest rates of 5% to 13½%	2,593,627	1,500,980
Other notes payable at various dates to 1977 and having interest rates of 5% to 12¾%	308,594	364,323
	<u>51,927,606</u>	<u>12,867,619</u>
Less current portion	<u>851,962</u>	<u>3,188,038</u>
	<u><u>\$51,075,644</u></u>	<u><u>\$ 9,679,581</u></u>

At September 26, 1974 the Corporation converted its borrowings (including \$8,125,000 from 1973 term loans from banks) into a revolving credit agreement with a group of banks. Under the terms of this agreement the Corporation may borrow up to \$60,000,000 until October 1, 1975, \$30,000,000 until October 1, 1976, and \$20,000,000 until October 1, 1977. The Corporation intends to obtain sufficient long-term financing from institutional lenders to reduce the existing liability to the banks as required by the revolving credit agreement. The first revolving loans aggregating \$25,000,000 bear interest at the rate of 120% of the prime rate plus 1/4% (the prime rate at September 30, 1974 was 12%) until May 1, 1975 and 120% of the prime rate plus 1/2% until the stated maturity date of October 1, 1975. All other revolving loans bear interest at prime rate plus 1/4%. The loan agreement contains restrictive covenants, certain of which cover the maintenance of working capital and limit capital distributions (as defined) including payment of cash dividends.

Retained earnings of approximately \$961,000 were unrestricted for the payment of future cash dividends at September 30, 1974. Approximately \$3,500,000 of property, plant and equipment is pledged as security for \$655,000 of long-term debt of the Italian subsidiary.

Current installments of long-term debt payable in fiscal year 1975 aggregate \$852,000. Subsequent annual installments are as follows:

1976	\$18,792,000	1978	\$20,354,000
1977	\$11,022,000	1979	\$ 270,000

Note F — Leases

Total rental expense for all leases amounted to:

	1974	1973
Financing leases	\$ 261,393	\$ 149,927
Other leases	1,551,392	1,225,391
	<u>\$1,812,785</u>	<u>\$1,375,318</u>

Future minimum rental commitments as of September 30, 1974 for all noncancelable leases are as follows:

	Total	Financing Leases		Other Leases	
		Buildings	Equipment	Buildings	Equipment
1975	\$1,129,417	\$ 46,834	\$260,340	\$203,270	\$618,973
1976	1,043,367	46,834	260,340	162,987	573,206
1977	772,920	37,402	172,880	143,976	418,662
1978	416,464	27,966	84,023	131,631	172,844
1979	305,638	27,966	20,490	115,832	141,350
1980-1984	219,884	139,830	-0-	46,723	33,331
1985-1989	128,266	128,266	-0-	-0-	-0-
1990-1991	27,730	27,730	-0-	-0-	-0-
	<u>\$4,043,686</u>	<u>\$482,828</u>	<u>\$798,073</u>	<u>\$804,419</u>	<u>\$1,958,366</u>

The impact on net income would not be significant assuming all noncapitalized financing leases were capitalized, related assets were amortized on a straight-line basis and interest cost accrued.

Note G — Common Shares

STOCK OPTIONS — A stock option plan authorizes the issuance of Common Shares to key employees at not less than the market price on dates of grant. The options become exercisable over a period of five years, beginning one year after date of grant. At September 30, 1974, options for 45,000 shares (32,812 shares at September 30, 1973) were exercisable and 75,950 shares (89,650 shares at September 30, 1973) were available for future options.

A summary of the changes in outstanding stock options follows:

	Shares	Option Price	
		Per Share	Aggregate
Outstanding at October 1, 1972	54,800	\$23.38 to \$26.34	\$1,313,012
Granted	16,600	14.75	244,850
Cancelled or expired	11,050	23.38 to 26.34	290,356
Outstanding at September 30, 1973	60,350	14.75 to 23.38	1,267,506
Granted	16,600	14.50	240,700
Cancelled or expired	2,900	23.38	67,788
Outstanding at September 30, 1974	74,050	\$14.50 to \$23.38	\$1,440,418

RESERVED SHARES — At September 30, 1974, 212,215 Common Shares (150,000 shares at September 30, 1973) are reserved for issuance under the stock option plan and the conversion rights of the Preferred Shares.

ACCOUNTANTS' REPORT

Notes continued

Note H — Pension, Profit Sharing, and Severance Indemnities

The Corporation and its subsidiaries have several pension plans, certain of which were amended during the year to provide for increased benefits, covering substantially all employees. The total pension expense was approximately \$3,090,000 for 1974 and \$2,380,000 for 1973. The Corporation's policy is to fund pension cost accrued. The actuarially computed value of vested benefits for certain plans as of their respective anniversary dates exceeds the market value of their pension funds by approximately \$9,454,000 at September 30, 1974.

The Corporation has several employee profit sharing plans in effect. Amounts contributed under such plans are based upon the annual earnings of the respective operating units. Such contributions amounted to \$1,583,000 in 1974 and \$2,118,000 in 1973.

An indemnity is payable to all employees of certain foreign subsidiaries on termination of their employment and is based on employment category, length of service and rates of pay at termination date. Accrual for the liability has been made on the basis of accumulated service and remuneration.

Note I — Contingencies

Under the provisions of certain sales contracts with a major foreign customer, the Corporation is required to guarantee compliance with contract provisions by obtaining letters of credit. Outstanding letters of credit under such contracts approximated \$4,000,000 at September 30, 1974. The Corporation expects to continue to comply with all contract provisions, and no material losses are anticipated under these guarantees.

Note J — Earnings Per Share

Net earnings per Common Share are based on the weighted average number of Common Shares outstanding after recognition of dividends paid on convertible Preferred Shares. Fully diluted earnings per share would not be materially different from net earnings per share as reported if all outstanding Preferred Shares were assumed to be converted to Common Shares. The inclusion of stock options (common stock equivalents) would be anti-dilutive.

Board of Directors

Acme-Cleveland Corporation
Cleveland, Ohio

We have examined the statement of consolidated financial position of Acme-Cleveland Corporation and subsidiaries as of September 30, 1974 and 1973, and the related statements of consolidated earnings, shareholders' equity, and changes in financial position for the years then ended. Our examinations were made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

As discussed in Note C to the financial statements, the Corporation is involved in obtaining financing for its Italian subsidiary in which it has investments, advances and guarantees relating to the Italian subsidiary of \$3,400,000 at November 27, 1974. It cannot presently be determined if these efforts will be successful and no provision for any loss that may result if they are not successful has been made in the financial statements.

In our opinion, subject to the effects, if any, on the financial statements of the ultimate resolution of the matter discussed in the preceding paragraph, the accompanying financial statements identified above present fairly the consolidated financial position of Acme-Cleveland Corporation and subsidiaries at September 30, 1974 and 1973, and the consolidated results of their operations, and changes in shareholders' equity and financial position for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

ERNST & ERNST

Cleveland, Ohio
November 27, 1974

ACME-CLEVELAND CORPORATION

Board of Directors

Arthur S. Armstrong, *Chairman of the Board and
Chief Executive Officer*

Ralph M. Besse, *Partner-Squire, Sanders & Dempsey*

Carleton Blunt, *Counsel to Bell, Boyd, Lloyd,
Haddad & Burns, Chicago*

Raymond E. Channock, *Consultant and formerly President,
Acme-Cleveland Corporation*

Charles W. Clark, *Vice President*

W. Paul Cooper, *President and Chief Operating Officer*

Stephen M. DuBrul, Jr., *Partner-Lazard Freres & Co., New York*

Robert C. Ochs, *Director of Engineering, Truck Components,
Eaton Corporation*

Jacob B. Perkins, *President, The Hill Acme Company*

Karl H. Rudolph, *President and Chief Executive Officer,
The Cleveland Electric Illuminating Company*

Robert I. Sattler, *President, LaSalle Machine Tool, Inc.*

Earl P. Schneider, *Partner-Thompson, Hine and Flory*

John C. Stites, *Special Assistant to the Chairman of the Board*

Officers

Arthur S. Armstrong, *Chairman of the Board and
Chief Executive Officer*

W. Paul Cooper, *President and Chief Operating Officer*

Charles W. Clark, *Vice President*

Herbert von Wolff, *Vice President*

Thomas M. Skove, *Treasurer*

Henry R. Hatch III, *Secretary*

Lawrence R. Cowin, Jr., *Controller and Assistant Secretary*

James M. Tompkins, *Assistant Controller*

Leonard W. Schiemann, *Assistant Treasurer*

General Counsel

Thompson, Hine and Flory, Cleveland

Auditors

Ernst & Ernst, Cleveland

Transfer Agent and Registrar

The Cleveland Trust Company

Listing

Acme-Cleveland Corporation common shares are listed on the
New York Stock Exchange under the ticker symbol AMT.

Annual meeting of shareholders

The annual meeting will be held on January 23, 1975.
Shareholders of record on December 6, 1974 will be entitled to
vote. The notice, proxy statement and proxy for the meeting
accompany this report.

SEC 10-K report

Copies of Acme-Cleveland's 10-K report, filed with the
Securities and Exchange Commission, are available at no charge
from the Secretary upon written request.

**TOTAL PRODUCTION
SYSTEMS**
**Acme-Cleveland Corporation
Operations**

CLEVELAND TWIST DRILL COMPANY

*Cutting and Threading Tools, Cleveland, Ohio; Mansfield, Massachusetts;
Providence, Rhode Island; Kent, Washington*
Cleveland Twist Drill Canada Ltd., Rexdale (Toronto), Ontario, Canada
Cleveland Twist Drill Limited, Peterhead and Glasgow, Scotland
Cleveland Twist Drill Nederland N.V., Maastricht, The Netherlands
Cleveland Twist Drill GmbH, Loffingen, West Germany
Herramientas Cleveland S.A., Pachuca, Mexico

NATIONAL ACME DIVISION

Machine Tools and Special Machines, Cleveland, Ohio
Machine Tool Licensees:
Alfred Herbert Limited, Coventry, England
Pittler Maschinenfabrik A.G., Frankfurt/Main, West Germany
Mitsubishi Heavy Industries, Ltd., Tokyo, Japan

LaSALLE MACHINE TOOL, INC.

Manufacturing Systems, Warren, Fenton and Holly, Michigan
LaSalle Machine Tool of Canada Ltd., Windsor, Ontario
LaSalle Machine Tool Italia, S.p.A., Turin, Italy

SHALCO SYSTEMS DIVISION

*Foundry Systems and Equipment, Cleveland, Ohio; Kewanee,
Illinois; Port Huron, Michigan*
Automotive Pattern Company, Detroit, Michigan
Shalco Systems—Acme-Cleveland GmbH, Homberg/Ohm, West Germany
Foundry Equipment Licensee:
Roterid Companhia Mecanica, Sao Paulo, Brazil

NAMCO CONTROLS DIVISION

Electrical Controls, Cleveland, Mentor and Jefferson, Ohio
Electrical Controls Licensees:
Herbert Controls & Instruments, Ltd.,
Letchworth, Hertfordshire, England
Fritz Dienes GmbH (switches only), Muhlheim, West Germany

ACME-CLEVELAND DEVELOPMENT COMPANY, Highland Heights, Ohio

OTHER FACILITIES

Cynthiana Manufacturing Plant, Cynthiana, Kentucky



**ACME-CLEVELAND
CORPORATION**

P.O. BOX 5617
CLEVELAND, OHIO 44101